THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (e) On 30th November, 2007, Reserve Bank of India (RBI) placed draft Guidelines on engaging Recovery Agents by scheduled commerical banks on its website, for feedback. Based on the feedback invited from individuals/organizations and banks, etc. including private sector banks, the guidelines have been revised and a second draft has been issued on 25th March, 2008 for feedback. Both the draft guidelines are available on RBI website www.rbi.org.in. Some of the important changes made in the second draft, *inter-alia,* include that:

- Banks to ensure that the agents engaged by them in the recovery process carry out, on a periodic basis, verification of antecedents of their employees—which may include police verification;
- The recovery agent would be required to carry an identity card issued by the bank or the recovery agency and also a copy of the notice/authorisation letter from the bank;
- Banks would be required to ensure that the notice/authorisation letter issued by them should also include the telephone numbers of the relevant recovery agents;
- Banks would also be required to record conversation between the recovery agents and the customers;
- Banks to place updated list of recovery agents on their websites;
- Where the bank is convinced, with appropriate proof, that the borrower is continuously making frivolous/veatious complaints, it may continue with the recovery proceedings through the Recovery Agents — even if a grievance/complaint is pending with them. In case where the subject matter of the borrower's dues might be sub-judice, banks should exercise utmost caution, as appropriate, in referring the matter to the recovery agents, depending on the circumstances of the case;
- Banks should have an appropriate mechanism in place to utilise the services of the credit counsellors for providing suitable counselling to the borrowers where it becomes aware that the case of a particular borrower deserves sympathetic consideration.

Post office savings scheme

*407. SHRI D. RAJA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that recently the withdrawals from the various post office savings scheme are more than the deposits, leading to a negative growth;

(b) if so, the details thereof and reasons therefor; and

(c) what is Government's reaction thereto?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c) Yes, Sir. During April 2007 — February 2008 the withdrawals (including redemptions on maturity) under the Small Savings Schemes in Post Offices and Banks were Rs. 1,35,735 crore as against the gross small savings collections of Rs. 1,23,725 crore.

The trend in collections, *inter-alia,* reflect investor's preference for other alternative savings instruments. Over a period of time, investment options available have increased both in number and variety, offering a wider choice to investors for their savings. De-regulation of the interest rates relating to banks, financial institutions and debt markets have also contributed

to directing the flow of savings into instruments other than small savings schemes of the Government, which are subjected to administered interest rates.

With a view to sustaining investor's interest in the small saving schemes, the features of the schemes are reviewed from time to time and various improvements and amendments in the schemes are introduced. Some of the recent measure include;

(i) The benefit of Section 80C of the Income Tax Act, 1961 has been extended to the investments made under 5 — Year Post Office Time Deposit Account and Senior Citizen Savings Scheme, with effect from 1.4.2007.

(ii) Introduction of a bonus at the rate of 5 per cent on the deposits made under Post Office Monthly Income Account (POMIA) scheme on or after 8th December, 2007 upon the maturity of the deposit.

(iii) With effect from 1-8-2007, the maximum deposit ceiling of Rs. 3.00 lakh and Rs. 6.00 lakh under the Post Office Monthly Income Account (POMIA) scheme has been raised to Rs. 4.5 lakh and Rs. 9.00 lakh in respect of single and joint accounts respectively.

Financial restructuring of BHPV

*408. SHRI TAPAN KUMAR SEN:
SHRI MOHAMMED AMIN:

Will the Minister of HEAVY INDUSTRY AND PUBLIC ENTERPRISES be pleased to state:

(a) whether a press release from the Cabinet on financial restructuring of Bharat Heavy Plates and Vessels Ltd. (BHPV) was uploaded in the PIB website on 26 November, 2007 at 2149 hrs.

(b) if so, whether the press release conveyed Government's approval to proposal, *viz.* waiver and write off of loans and interest amounting to Rs. 414.95 crores upto 31 March, 2007 and settlement of all outstanding liabilities of BHPV amounting to Rs. 263.97 crores;

(c) whether the press release was withdrawn from the PIB website immediately after uploading;

(d) if so, the reasons therefor; and

(e) whether the aforesaid Government's approval has undergone any change?

THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV): (a) to (c) Yes, Sir.

(d) Press Information Bureau which is the nodal agency to manage the website, withdrew the press release for want of vetting by the Ministry of Heavy Industries & Public Enterprises (MHI&PE). In fact, the PIB Press Rlease of 26.11.2007 reflected this Ministry's proposals to the Cabinet and not the decisions taken in the Cabinet meeting.

(e) No, Sir. The Government on 26.11.2007 approved 'in principle' take over of BHPV by BHEL with the directions that the valuation of BHPV be carried out prudently on the basis of established principles and if the take over is not found feasible, the matter may be brought before the Cabinet.